



REDEVELOPMENT AGENCY AGENDA
MEETING OF: MAY 16, 2001

THESE PROCEEDINGS ARE BEING PRESENTED LIVE ON KCLV, CABLE CHANNEL 2. THE PROCEEDINGS WILL BE REBROADCAST ON KCLV CHANNEL 2 THE WEDNESDAY OF THE MEETING AT 8:00 PM AND ARE ALSO REBROADCAST ON FRIDAY AT 4:00 AM, SATURDAY AT 7:00 PM, SUNDAY AT 7:00 AM AND THE FOLLOWING MONDAY AT 10:00 AM.

I CALL TO ORDER

II ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

MINUTES:

CALLED TO ORDER BY CHAIRMAN GOODMAN AT 1:21 P.M.

PRESENT: CHAIRMAN GOODMAN and MEMBERS REESE, M. McDONALD, BROWN, L.B. McDONALD, WEEKLY, and MACK

ALSO PRESENT: VIRGINIA VALENTINE, Executive Director, BRAD JERBIC, City Attorney, and BARBARA JO RONEMUS, Secretary

ANNOUNCEMENT MADE: Posted as follows:

Downtown Transportation Center, City Clerk's Board
Senior Citizens Center, 450 E. Bonanza Road
Clark County Government Center, 500 S. Grand Central Pkwy.
Court Clerk's Bulletin Board, City Hall
City Hall Plaza, Posting Board

(1:21)
3-2843

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: MAY 16, 2001

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: LESA CODER

SUBJECT:

APPROVAL OF THE MINUTES BY REFERENCE FOR THE MEETING OF MAY 2, 2001
AND SPECIAL CITY OF LAS VEGAS CITY COUNCIL AND REDEVELOPMENT
AGENCY MEETING (BUDGET WORKSHOP) OF APRIL 25, 2001

MOTION:

REESE - APPROVED by Reference – UNANIMOUS

MINUTES:

There was no discussion.

(1:21)

3-2852

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: MAY 16, 2001

DEPARTMENT: BUSINESS DEVELOPMENT

DIRECTOR: LESA CODER

SUBJECT:

RESOLUTIONS:

RA-3-2001 - PUBLIC HEARING TO CONVEY PROPERTY LOCATED AT THE SOUTHEAST CORNER OF LAS VEGAS BOULEVARD AND GASS AVENUE (APN 139-34-401-002) TO L'OCTAINE LIMITED PARTNERSHIP AND RESOLUTION FINDING THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND L'OCTAINE AS BEING IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE REDEVELOPMENT PLAN AND APPROVING AND AUTHORIZING THE EXECUTION OF THE DDA BY THE AGENCY AND WAIVING THE REQUIREMENTS FOR THE CITIZENS ADVISORY COMMITTEE AND THE CITIZENS EMPLOYMENT ADVISORY COMMITTEE TO CONVENE - WARD 5 (WEEKLY) [NOTE: THIS ITEM IS RELATED TO CITY COUNCIL ITEM #89]

Fiscal Impact

☐

No Impact

Amount: \$850,000

☒

Budget Funds Available

Dept./Division: OBD / RDA

☐

Augmentation Required

Funding Source: RDA - Housing Fund

PURPOSE/BACKGROUND:

Staff has negotiated a Disposition and Development Agreement (DDA) with L'Octaine Limited Partnership for the development of a mixed use, mixed income apartment complex with commercial retail space located at the corner of Las Vegas Boulevard and Gass Avenue. The Agency Board must determine that the project is in compliance with the goals and objectives of the Redevelopment plan and authorize the Chairperson of the Agency to execute the document.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Resolution No. RA-3-2001, including exhibits consisting of the DDA and Disclosure of Principals
3. Site Map

MOTION:

WEEKLY - APPROVED as recommended – UNANIMOUS

REDEVELOPMENT AGENCY MEETING OF MAY 16, 2001
Item IV-A – RA-3-2001

MINUTES:

MAYOR GOODMAN declared the Public Hearing open.

LESA CODER, Director, Office of Business Development, recommended approval.

No one appeared in opposition.

NOTE: See related Items 88 and 89 of the 5/16/2001 City Council Agenda for other discussion.

MAYOR GOODMAN declared the Public Hearing closed.

(1:21 – 1:23)

3-2871

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: MAY 16, 2001

DEPARTMENT: BUSINESS DEVELOPMENT

DIRECTOR: LESA CODER

SUBJECT:

DISCUSSION AND POSSIBLE ACTION REGARDING AN EASEMENT TO NEVADA POWER ON LAND LOCATED ON THE SOUTH SIDE OF GASS AVENUE AND EAST OF LAS VEGAS BOULEVARD (APN 139-34-401-002) IN CONJUNCTION WITH THE DEVELOPMENT OF THE L'OCTAINE PROJECT - WARD 5 (WEEKLY)

Fiscal Impact

<input checked="" type="checkbox"/>	No Impact	Amount:
<input type="checkbox"/>	Budget Funds Available	Dept./Division:
<input type="checkbox"/>	Augmentation Required	Funding Source:

PURPOSE/BACKGROUND:

The Agency will, for \$1.00 (one dollar), grant to Nevada Power Company an easement on a 6 foot wide strip on the parcel of land located at the site of the L'Octaine project at the southeast corner of Las Vegas Boulevard and Gass Avenue.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

Grant of Easement

MOTION:

WEEKLY - APPROVED as recommended – UNANIMOUS

MINUTES:

LESA CODER, Director, Office of Business Development, recommended approval.

There was no further discussion.

(1:23)

3-2944

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: MAY 16, 2001

DEPARTMENT: BUSINESS DEVELOPMENT

DIRECTOR: LESA CODER

SUBJECT:

DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF REGARDING AN EXCLUSIVE NEGOTIATING AGREEMENT AND TO PREPARE A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE DEVELOPMENT OF AN AGENCY OWNED SITE LOCATED AT THE SOUTHEAST CORNER OF LAS VEGAS BOULEVARD AND CLARK (APN #139-34-311-061; 139-34-311-062; 139-34-311-063; 139-34-311-076 AKA BULLDOG SITE) - WARD 3 (REESE)

Fiscal Impact

<input checked="" type="checkbox"/>	No Impact	Amount:
<input type="checkbox"/>	Budget Funds Available	Dept./Division:
<input type="checkbox"/>	Augmentation Required	Funding Source:

PURPOSE/BACKGROUND:

Based on the Agency Board direction on prior agenda items, staff has prepared a 60-day Exclusive Negotiating Agreement for the development of the site located at Las Vegas Blvd and Clark. Staff has been approached by two different developers for the development of Agency owned property located at the Southeast corner of Las Vegas Boulevard and Clark Avenue.

RECOMMENDATION:

Approve the Exclusive Negotiating Agreement and direct staff regarding the development of the parcel.

BACKUP DOCUMENTATION:

1. Agenda memo
 2. Staff analysis
 3. Exclusive Negotiating Agreement, including exhibits consisting of Site Maps and Disclosure of Principals
- Submitted at the meeting: Memorandum dated 5/3/2001 to Dave Oka from Jeffrey S. Okyle of Standard Parking Company

MOTION:

REESE – ABEYANCE to 6/6/2001, directing staff, in conjunction with the City Centre Development Corporation, to conduct an analysis of the alternative site and present the findings to the Council for consideration – UNANIMOUS

MINUTES:

LESA CODER, Director, Office of Business Development, explained that most recently the City Council directed staff to perform a side-by-side comparison of the two potential applicants for the property. She referred to the overhead and stated that the proposal from the attorneys includes

REDEVELOPMENT AGENCY MEETING OF MAY 16, 2001

Item IV-C – Discussion and possible action to direct staff regarding an exclusive negotiating agreement and to prepare a disposition and development agreement for the development of an agency owned site located at the southeast corner of Las Vegas Boulevard and Clark

MINUTES – Continued:

some frontage along Las Vegas Boulevard as well as property that would front 6th Street; whereas the residential representatives had made a proposal using the existing property that the agency and the City hold.

She reviewed the analysis, based on the pro forma submitted for each of the two proposals: The attorneys' project would consist of a 327-space parking structure to support the attorney offices and related retail component, with a reduced rate over a period of four years to cover the operation and maintenance of the parking structure. After the four years the market rate of \$75 a space per month would commence. The rate of return would total approximately 4%. The City's level of participation would be approximately 12%.

The RPS proposal is similar to the attorneys' project; however, it would involve a slightly lesser amount of property. RPS would be responsible for constructing an approximate 410-space parking structure, some of which would be utilized to sustain the residential and first-floor retail component. Under this scenario the City would be looking at about 12% for RPS' internal rate of return.

MS. CODER noted that staff put together a few assumptions on the RPS project, based on their submittals representing 10% equity, in which case the rate of return would be 12%. Under a 20% equity scenario, the rate of return would be about 9%.

She pointed out that what staff found troublesome in reviewing RPS' proposal is their assumption on the leasing income for the parking spaces of \$270 per space per month. As part of the analysis, staff found it to be more like \$140 per space per month, which is the amount that staff and some of the larger parking leasing agencies in the downtown find more reasonable.

To ascertain staff's findings, the services of Standard Parking Company, one of the big five owner/operator/parking developers in the country, were obtained. With respect to the RPS proposal, Standard Parking concluded that there might not be a demand to fulfill the leasing of the proposed number of parking spaces, and that revenues would be on the high side of approximately \$175 per space per month, whether the City does the leasing or not, and on the low side of approximately \$140 per space per month.

REDEVELOPMENT AGENCY MEETING OF MAY 16, 2001

Item IV-C – Discussion and possible action to direct staff regarding an exclusive negotiating agreement and to prepare a disposition and development agreement for the development of an agency owned site located at the southeast corner of Las Vegas Boulevard and Clark

MINUTES – Continued:

In conclusion, staff believes that it would be appropriate to discount the residential numbers and not to consider them under the scenario where so much public parking would be provided. In looking at the attorneys' scenario, staff believes that the participation level for parking is significant. Based on the prior agenda items presented to the City Council for the purchase of the Bank of America property and the intended use for that facility, staff feels that the ideal place to invest for parking structures is on the Bank of America site.

MS. CODER suggested that one alternative would be to take the attorneys' proposed building and look into what would happen if it were placed on the property located at the southeast corner of Fourth Street and Clark, which is City-owned. This alternative is appropriate and staff would like to present it to the City Centre Development Corporation for analysis and recommendation.

COUNCILMAN REESE asked if the Council could take action on that alternative at this meeting. MS. CODER responded in the affirmative; however, requested that the Council direct staff to come back with an analysis.

COUNCILMAN REESE stated that the Bulldog site is a very valuable piece of land, and he would prefer to consider the alternative site and save the Bulldog site for future development. Therefore, he directed that staff perform an analysis on the alternative site and submit it for the Council's consideration at the 6/20/2001 meeting. ATTORNEY JAMES CHRISMAN, 300 South Fourth Street, urged the Council to place the matter on the 6/6/2001 agenda, as he stands to lose his partner if the matter is prolonged.

MICHAEL NIARCHOS, City Centre Development Corporation, indicated that after careful review and analysis, the members of the City Centre Development Corporation concluded that the attorneys' office building would be the best redevelopment and most economically feasible opportunity for the site. The RPS project would be critically dependent on the parking rents, which were projected way above feasibility. However, he would be happy to work with the attorneys and architects in reviewing the alternative site. COUNCILMAN REESE commented that it would benefit the City to keep the attorneys in the downtown area.

MAYOR GOODMAN noted that the City has had a wonderful working relationship with both groups that have expressed interest in the subject site. However, the landscape of the downtown has shifted. When negotiations began for this piece of property, the Council was desperate for a project. The Council now wants the best use on the property for the benefit of the City.

REDEVELOPMENT AGENCY MEETING OF MAY 16, 2001

Item IV-C – Discussion and possible action to direct staff regarding an exclusive negotiating agreement and to prepare a disposition and development agreement for the development of an agency owned site located at the southeast corner of Las Vegas Boulevard and Clark

MINUTES – Continued:

MR. CHRISMAN noted that he and his colleagues have been longtime residents of downtown and they do not want to leave the area. He indicated that he would diligently work on the project.

DANIEL ROSS, 424 South 7th Street, was concerned that the Council might be relegating his neighborhood to an economic backwater. He questioned the Council's plans for his neighborhood, which is in the Las Vegas High School area. MAYOR GOODMAN commented that there is a lot of development taking place in that neighborhood and the Council has been very sensitive to that area. MS. CODER invited MR. ROSS to contact her to arrange a meeting for him to review the land use plan for that area. COUNCILMAN REESE interjected that the Clark County School District is planning on building a 2,500-seat performing arts center at 9th Street.

MICHELLE STAULK, RPS, 818 West Brooks Avenue, pointed out that RPS would not be proposing a development in excess of \$16 million if they did not believe that it would pencil.

There was no further discussion.

(1:23 – 1:37)

3-2973/4-1

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: MAY 16, 2001

DEPARTMENT: BUSINESS DEVELOPMENT

DIRECTOR: LESA CODER

SUBJECT:

REPORT REGARDING THE REDEVELOPMENT INCOME FOR FY 2001-2002

Fiscal Impact

<input checked="" type="checkbox"/>	No Impact	Amount:
<input type="checkbox"/>	Budget Funds Available	Dept./Division:
<input type="checkbox"/>	Augmentation Required	Funding Source:

PURPOSE/BACKGROUND:

At the May 2nd meeting, there were some questions regarding the results of the Board of Equalization and the impact to the tax increment funding of the Agency. Accordingly, staff has updated the information for your review.

RECOMMENDATION:

Report only; no action required

BACKUP DOCUMENTATION:

Report and estimates of revenues

MOTION:

None required.

MINUTES:

LESA CODER, Director, Office of Business Development, commented that at the previous Council meeting discussion was held on some of the things that impact the Redevelopment Agency budget. At that time an overview was given on some of the actions of the Board of Equalization (BOE). She clarified that column two of the equalization chart depicts the amount requested by the property owner for relief from the BOE, and the last column explains exactly how much relief was actually granted, which is not always what was requested.

COUNCILMAN BROWN questioned the reasoning behind the dramatic adjustment for the Stratosphere Corporation. MS. CODER answered that to her understanding the Stratosphere hired experts in the field to review their profit and loss statements and had an appraisal conducted to support their position to seek the level of relief that was requested. She indicated that MARK SCHOFIELD, County Tax Assessor, offered to meet with the Councilmen individually to answer any questions or concerns.

There was no further discussion.

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: MAY 16, 2001

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK VINCENT

SUBJECT:

REPORT ON FINANCIAL CONDITION OF THE REDEVELOPMENT AGENCY AS OF
MARCH 31, 2001

Fiscal Impact

<input checked="" type="checkbox"/>	No Impact	Amount:
<input type="checkbox"/>	Budget Funds Available	Dept./Division:
<input type="checkbox"/>	Augmentation Required	Funding Source:

PURPOSE/BACKGROUND:

The Redevelopment Agency bylaws requires that the Finance Officer present to the Agency board the financial condition of the Agency.

RECOMMENDATION:

Report only; no action required

BACKUP DOCUMENTATION:

Spreadsheet

MOTION:

None required.

MINUTES:

MARK VINCENT, Director, Finance and Business Services, referred to a financial status sheet for the Redevelopment Agency on the overhead and stated that there has not been much of a change since the last quarterly report. The only item of any material significance is that some of the timelines changed for reimbursements to The Pauls Corporation for the construction of the garage.

There was no further discussion.

(1:39 – 1:40)

4-109

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: MAY 16, 2001

CITIZEN PARTICIPATION:

ITEMS RAISED UNDER THIS PORTION OF THE AGENDA CANNOT BE DELIBERATED OR ACTED UPON UNTIL THE NOTICE PROVISION OF THE OPEN MEETING LAW HAVE BEEN MET. IF YOU WISH TO SPEAK ON A REDEVELOPMENT AGENCY MATTER NOT LISTED ON THE AGENDA, PLEASE STEP UP TO THE PODIUM AND CLEARLY STATE YOUR NAME AND ADDRESS. PLEASE LIMIT YOUR REMARKS TO THOSE MATTERS UNDER THE EXPRESS JURISDICTION OF THE REDEVELOPMENT AGENCY. IN CONSIDERATION OF OTHERS, AVOID REPETITION, AND LIMIT YOUR COMMENTS TO NO MORE THAN THREE (3) MINUTES. TO ENSURE ALL PERSONS EQUAL OPPORTUNITY TO SPEAK, EACH SUBJECT MATTER WILL BE LIMITED TO TEN (10) MINUTES.

MINUTES:

TOM McGOWAN, Las Vegas resident, submitted a proposal for the alternative solution for the provision of crisis intervention services to homeless persons. MAYOR GOODMAN requested that copies be distributed to each of the Council members.

(1:40 – 1:42)

4-137

BEATRICE TURNER, West Las Vegas, apologized to COUNCILMAN REESE for the part she played in getting an off-sale liquor license approved at 900 N. Martin Luther King Boulevard, because she now regrets having done that.

(1:42 – 1:44)

4-200

DOROTHY BARNES asked if the City has a program for homeless people to earn money doing cleanup jobs. She also asked if the City has a “blue law” like in California where people pay higher taxes for the sale of alcohol and tobacco.

(1:44-1:45)

4-240

THE MEETING ADJOURNED AT 1:45 P.M.

Respectfully submitted: _____

GABRIELA S. PORTILLO-BRENNER

June 7, 2001

BARBARA JO RONEMUS, SECRETARY